

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF ATMOS) CASE NO. 2007-00547
ENERGY CORPORATION)

O R D E R

On July 31, 2007, in Case No. 2006-00464,¹ the Commission approved rates for Atmos Energy Corporation (“Atmos”) and provided for their further adjustment in accordance with Atmos’s Gas Cost Adjustment (“GCA”) clause.

On December 20, 2007, Atmos filed its proposed GCA to be effective February 1, 2008.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Atmos's notice includes revised rates designed to pass on to its sales customers its expected change in wholesale gas costs.
2. Atmos’s Expected Gas Cost (“EGC”) for firm sales customers is \$8.7830 per Mcf, a decrease of \$.9211 per Mcf from the previous EGC of \$9.7041. Atmos's EGC for interruptible sales customers is \$7.9152 per Mcf, a decrease of \$.9210 per Mcf from the previous EGC of \$8.8362.

¹ Case No. 2006-00464, Application of Atmos Energy Corporation for an Adjustment of Rates.

3. Atmos's notice sets out no current period Refund Factor ("RF"). The total RF is \$0 per Mcf for firm sales customers and \$0 per Mcf for interruptible sales customers, and represents no change from the prior RF. Atmos's notice sets out no RF for T-2 firm transportation customers or for T-2 interruptible transportation customers.

4. Atmos's notice sets out a Correction Factor ("CF") of (\$.2015) per Mcf, which is an increase of \$.1635 per Mcf from the previous CF.

5. Atmos's notice sets out a Performance Based Rate Recovery Factor of \$.0646 per Mcf, which is effective from February 1, 2008 until February 1, 2009.

6. Atmos's GCAs are \$8.6461 per Mcf for firm sales customers and \$7.7783 for interruptible sales customers. The impact on firm sales customers is a decrease of \$.7431 per Mcf from the previous GCA of \$9.3892. The impact on interruptible sales customers is a decrease of \$.7430 per Mcf from the previous GCA of \$8.5213.

7. The rates in the Appendix, attached hereto and incorporated herein, are fair, just and reasonable, and should be approved for final meter readings by Atmos on and after February 1, 2008.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after February 1, 2008.

2. Within 20 days of the date of this Order, Atmos shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 28th day of January, 2008.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00547 DATED JANUARY 28, 2008

The following rates and charges are prescribed for the customers in the area served by Atmos Energy Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES:

Applicable to: General Sales Service Rate G-1

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: \$8.6461 per Mcf of gas used during the billing period.

Applicable to: Interruptible Sales Service Rate G-2

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: \$7.7783 per Mcf of gas used during the billing period.